

Arkansas Burial Association Board  
Fee Committee Meeting  
October 25, 2013 – 11AM  
Bail Bonds Conference Room 117  
Via Teleconference 877-402-99753

Fee committee members present were: Amy S. Goode, Executive Secretary, Bob Brooke, Auditor, and Kat Hodge, Attorney. Committee members absent were: Scott Berna, Pete Sims, and Turner James. Other participations included: John Frazer, Debra Elerson, Mrs. Henderson, Ron Sheffield, and Steve Ballard. The Executive Secretary has asked Mr. Ballard to participate in the committee.

The committee started the discussion concerning the summary the Executive Secretary had prepared. It appears that over the last 5 years the actual budget had depleted \$36, 234.38 or average of \$7,246.87 per year. However, during years 2011 to 2013 it had been approximately \$10,000 per year. Mr. Sheffield had inquired of the percentage. Executive Secretary and Auditor went back to calculate that percentage. The percentages are as follows: 2010 to 2011 - 5%, 2011 to 2012 – 11%, and 2012 to 2013 – 4%.

Ms. Elerson stated she had agreed with Mr. Frazer from the previous meeting that we need a more permanent fix, not just a band aid. Executive Secretary confirmed there were no other sources of revenue.

It was in approximately 1996 that the Board last increased their rates. Hodge stated that by statute the Board can set fees and membership rates.

Mr. Sheffield thought since this was a revenue producing agency and the fees you collect keeping going down that eventually the legislature will have to look at restructuring this agency. After awhile the Board will have no funds to operate. He inquired if the legislature should look at this agency being absorbed by another agency or look at changing this agency from revenue agency to an expenditure agency.

John Frazer said that some associations are extremely active associations and compiling them into the category of others is simply unfair. Sheffield stated that the few that are active are going to be asked to bear a greater and greater portion of the burden. Eventually it will become an issue that it will affect the active associations.

Frazer mentioned that these well funded associations have more options to move to insurance. He further mentioned that the agency should make plans to meet with Morrill Harriman or John Lipton. He thinks the agency should look at comparing to another cash fund agency. One thing about going to legislature is there is no institutional knowledge since many are new coming in. Thought we should approach governor's office to plea for the public good, since there is going to be upcoming office changes.

Ballard inquired if the Board anticipated any increase in salaries or major expense. Executive Secretary explained salaries should remain constant with very little increase. Ballard went on to say the fund has gone down an average of \$7,000 per year, and thought none of the options presented would be a band aid. The smallest increase would cover the loss and contribute toward future losses. Ballard further stated that the legislature would see the fund balance of \$200,000 and that you have not had a fee increase in over 10 years to attempt to fix the problem. He did not see that the Board was quite there to be seeking help. Hodge agreed.

Ballard stated that if the operating budget was going to remain constant that taking the smallest increase would cover that loss. The increase would be less than a penny per year calculating when the last increase was done. That would also cover the cost of the future vehicle purchase. The reserve has actually gone down \$10,000 the last three years, but salaries will maintain with minimal increase. This would correct the problem, but we should review again in a few years before seeking some alternative.

Hodge stated the smallest increase would net you \$23,000 a year and that you have not had an increase in over 10 years; that is less one cent per year. She also stated that she believes the legislature would think you were being unreasonable if you went to them and asked them to help fund your Board; when you will not consider an increase in your membership dues that will cost less than a penny a year. If you wait, do nothing now and in another ten years need a major increase that would not be good.

Ballard stated if we do the smallest increase, review and monitor the fund every 3 years to see if were maintaining then the legislature would see that we have been monitoring the situation before we seek help.

Sheffield stated that if you increase the smallest amount and it only fixes the problem temporarily that if in five years it's not working and these active associations will likely not want to carry the burden and convert to insurance. It might not be a bad idea to talk to Harriman or Lipton with the approach we might need your help down the road.

It was suggested that the discussion be moved to top of the agenda and that the associations be notified to participate. Executive Secretary explained that they would be given the opportunity to voice their opinion during the comment period and if we had too much opposition the Board could decide to go back to committee. All meetings are noticed on the public meeting calendar and the Embalmers Board website.

Two options discussed:

1. Propose the minimum increase to the Board and monitor every 3 years with a committee. If Board accepts then we will begin rule making process. All associations will be notified of the proposal and have opportunity to participate during the 30 day comment period and the public hearing. It could then always go back to committee.
2. Contact Harriman, Lipton, or approach legislature concerning restructuring the agency.

Executive Secretary to email the committee members not present the summary of the meeting to seek their decisions on what the committee discussed before presenting this plan to the Board.